

ER-4-4870

The Bureau of the Budget has indicated that this was a request for release of funds from C & A's Contingency Reserve to

MEMORANDUM FOR: Deputy Director (Plans)
Deputy Director (Intelligence)

SUBJECT : Policies Concerning Release of Funds from the Agency Reserve for Contingencies

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1. Requests for release of funds from the reserve for contingencies normally are to be submitted only in those cases where the project has not been started and where it will not be carried out unless a release of reserve is actually approved. Thus, projects proposed for submission to the Bureau of the Budget for release from the reserve for contingencies should be items of lower priority than those items actually being carried out.

2. When the request for release from reserve is submitted to the Bureau of the Budget, this Agency will indicate whether the project or activity is (a) new, (b) was included in the original program for fiscal year 1954 but was eliminated in the reprogramming, or (c) was not included in the original or revised program for fiscal year 1954. *Nº1*

3. Projects included in the original fiscal year 1954 program of operations may be submitted for financing from the reserve for contingencies, but normally, it will be necessary to indicate the reason why the item was excluded in the reprogramming of 1954 operations and also the reason why it is believed that it should now be carried out. Changes within an individual area or country requiring additional activity on the part of this Agency might well be the reason for dropping a proposed project in the reprogramming and subsequently deciding that the project should be carried out.

4. The intention of the Congress in reducing the appropriations made available to the Agency was to reduce the size of the Agency's proposed operations in line with the firm commitment to reduce expenditures of the Federal Government. Thus, in order to carry out this Congressional intent, it is anticipated that all urgent projects will be included in the reprogramming operations for the fiscal year 1954, and projects of relatively lower priority will be excluded.

L. K. WHITE
Acting Deputy Director
(Administration)